

HOUSE BILL 1269

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HB 1126/03 - HRU

2004 Regular Session
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By: **Delegates Walkup, Barve, Cardin, Feldman, Franchot, Haddaway,
Hubbard, Kaiser, McMillan, Montgomery, Petzold, Smigiel, Sossi,
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Introduced and read first time: February 13, 2004
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 23, 2004

CHAPTER _____

1 AN ACT concerning

2 **Electric Companies - Net Energy Metering - Wind Electric Generating**
3 **Facilities**

4 FOR the purpose of expanding the provisions of law relating to net energy metering
5 with respect to electricity generated by electric company customers who own
6 solar electric generating facilities to include eligible customers who own certain
7 wind electric generating facilities; altering the definition of an "eligible
8 customer-generator" by repealing certain limitations; requiring wind electric
9 generating systems used by eligible customers to meet certain safety and
10 performance standards; prohibiting an electric company from requiring eligible
11 customers who own and operate wind electric generating facilities to meet
12 certain additional requirements; and generally relating to net energy metering
13 in connection with wind electric generating facilities.

14 BY repealing and reenacting, with amendments,
15 Article - Public Utility Companies
16 Section 7-306
17 Annotated Code of Maryland
18 (1998 Volume and 2003 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Public Utility Companies**

2 7-306.

3 (a) (1) In this section the following words have the meanings indicated.

4 (2) "Eligible customer-generator" means a customer that[:

5 (i) is served by an electric company at:

6 1. a single-family dwelling which is:

7 A. a residence of the customer on a residential service tariff;

8 or

9 B. the principal residence of the customer on a general

10 service tariff;

11 2. a public or nonpublic elementary or secondary school; or

12 3. a public or nonpublic institution of postsecondary

13 education; and

14 (ii) owns and operates a solar electrical generating facility OR A

15 WIND ELECTRIC GENERATING FACILITY that:

16 ~~1.~~ (I) has a capacity of not more than 80 kilowatts;

17 ~~2.~~ (II) is located on the customer's premises;

18 ~~3.~~ (III) is interconnected and operated in parallel with an

19 electric company's transmission and distribution facilities; and

20 ~~4.~~ (IV) is intended primarily to offset all or part of the

21 customer's own electricity requirements.

22 (3) "Net energy metering" means measurement of the difference between

23 the electricity that is supplied by an electric company and the electricity that is

24 generated by an eligible customer-generator and fed back to the electric company

25 over the eligible customer-generator's billing period.

26 (b) The General Assembly finds and declares that a program to provide net
27 energy metering for eligible customer-generators is a means to encourage private
28 investment in renewable energy resources, stimulate in-State economic growth,
29 enhance continued diversification of the State's energy resource mix, and reduce costs
30 of interconnection and administration.

31 (c) An electric company serving an eligible customer-generator shall ensure
32 that the meter installed for net energy metering is capable of measuring the flow of
33 electricity in two directions.

1 (d) The Commission shall require electric utilities to develop a standard
2 contract or tariff for net energy metering and make it available to eligible
3 customer-generators on a first-come, first-served basis until the rated generating
4 capacity owned and operated by eligible customer-generators in the State reaches
5 34.722 megawatts, 0.2% of the State's adjusted peak-load forecast for 1998.

6 (e) (1) A net energy metering contract or tariff shall be identical, in energy
7 rates, rate structure, and monthly charges, to the contract or tariff that the customer
8 would be assigned if the customer were not an eligible customer-generator.

9 (2) (i) A net energy metering contract or tariff may not include charges
10 that would raise the eligible customer-generator's minimum monthly charge above
11 that of customers of the rate class to which the eligible customer-generator would
12 otherwise be assigned.

13 (ii) Charges prohibited by this paragraph include new or additional
14 demand charges, standby charges, customer charges, and minimum monthly charges.

15 (f) The electric company shall calculate net energy metering, subject to the
16 following:

17 (1) net energy produced or consumed on a monthly basis shall be
18 measured in accordance with standard metering practices;

19 (2) if electricity supplied by the grid exceeds electricity generated by the
20 eligible customer-generator during a month, the eligible customer-generator shall be
21 billed for the net energy supplied in accordance with subsection (e) of this section; and

22 (3) if electricity generated by the eligible customer-generator exceeds
23 the electricity supplied by the grid, the eligible customer-generator shall be required
24 to pay only customer charges for that month in accordance with subsection (e) of this
25 section.

26 (g) (1) A solar-electric generating system OR A WIND ELECTRIC
27 GENERATING SYSTEM used by an eligible customer-generator shall meet all
28 applicable safety and performance standards established by the National Electrical
29 Code, the Institute of Electrical and Electronics Engineers, and Underwriters
30 Laboratories.

31 (2) The Commission may adopt by regulation additional control and
32 testing requirements for eligible customer-generators that the Commission
33 determines are necessary to protect public safety and system reliability.

34 (3) An electric company may not require an eligible customer-generator
35 whose solar-electric generating system OR WIND ELECTRIC GENERATING SYSTEM
36 meets the standards of paragraphs (1) and (2) of this subsection to:

37 (i) install additional controls;

38 (ii) perform or pay for additional tests; or

1 (iii) purchase additional liability insurance.

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
3 October 1, 2004.